

Linda Stanton
Independent Mary Kay Sales Director

July 4, 2006

Dear Sir or Madam:

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as a Mary Kay Independent Sales Director and Beauty Consultant. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell Mary Kay products.

I have been a Mary Kay Beauty Consultant and Director, ETC.] for more than 12 years. Originally, I became a consultant in my company because I felt the products were exceptional and I wanted to earn some additional income as a single mother. Now, I am working this business full time and my family is completely supported through my direct selling business. The future of my family is dependent on the stability of the direct selling industry.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new consultants. The Mary Kay sales kit only costs \$100, plus tax and shipping, which has been its price for many years. Mary Kay provides a new consultant with new full-size product in the kit that is worth more than \$300, plus additional training materials to begin the business. People buy TVs, cars, and other items that cost much more and they do not have to wait seven days. This waiting period gives the impression that there might be something wrong with the company or the compensation plan. I also think this seven-day waiting period is unnecessary, because Mary Kay already has a 90% buyback policy for all products, including sales kits purchased by a salesperson within the last twelve months. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about Mary Kay and will then need to send in many reports to my company headquarters in order to document the required information this rule expects. This will be cost prohibitive for recruiting people. Mary Kay is appealing to individuals because of the limited initial investment needed versus the large investment required to buy a standard business.

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless Mary Kay is found guilty. Otherwise, Mary Kay and I are put at an unfair advantage even though Mary Kay has done **nothing** wrong.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals

(without their approval) to strangers. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to Mary Kay headquarters and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met.

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences that will limit small home-based business owners, many of whom are using a home-based business in order to take care of their families while being able to support the family with their more flexible business. I feel there are less burdensome alternatives available to achieving your goals.

Thank you for your time in considering my comments.

Respectfully,

Linda S. Stanton
Independent Mary Kay Sales Director